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# AGRICULTURAL OUTLOOK DIGEST

AGRICULTURAL MARKETING SERVICE • U. S. D. A. • WASHINGTON, D. C. AOD-73 JANUARY 1961

Prospects for increasing hog production point to larger pork output the last half of 1961 than a year earlier.

A 5 percent larger spring pig crop is in prospect. Estimated at 49.5 million head, it represents farmers' intentions to farrow 4 percent more sows and gilts and a gain of 1 percent pigs saved per litter.

Hog slaughter will continue below 1960 until about the middle of the year. Then, slaughter should exceed year-earlier rates, with supplies first coming from the 1960 fall crop and later from early spring pigs.

Hog prices will continue well above those of 1960 for several months, holding close to present levels. They are then expected to advance seasonally in the summer, and decline in the fall. Prices this summer and fall will likely be below a year earlier but a sharp drop is not anticipated for the last half of 1961.

EGGS--Egg prices of recent months are encouraging large hatchings of egg-type chicks. Although prices in early January showed a sharp seasonal decline, they remained well above year-ago levels to provide further inducement to poultrymen. In recent months, the hatch has been running well above a year earlier and is expected to continue to do so for the first quarter of 1961.

POULTRY--Broiler marketings for February and March from recent chick placements will be about 9 and 4 percent higher than a year earlier. Broiler prices in the final months of 1960 showed less seasonal decline than in recent years. In early January, they picked up from the preceding month, but were about 1 cent below mid-January 1960 levels of 17.1 cents per pound.

The outlook is for higher turkey production in 1961, topping the record 1960 crop of 82 million. Generally favorable prices last year spurred interest in turkey raising. The number of birds now growing is already up from last year, reflecting the 50 percent increase in October-January hatchings. Farmers early-January intentions call for a crop 20 percent higher than last year.

FATS AND OILS--Supplies of food fats and oils for the 1960-61 marketing year stand at 14.0 billion pounds, slightly below the previous year. Total disappearance should rise slightly, with domestic use reaching a new peak at about 9.0 billion pounds, and exports continuing about the same as last year's record level of about 3.9 billion pounds. Prices are remaining above 1960 levels, with further increases expected during the rest of the marketing year.

Soybean crushings are being stimulated by strong demands for edible vegetable oils and protein feeds. Crushings in October-December 1960 were set at 109 million bushels, 4 million above last year. For the entire marketing season, they will probably run around 400 million bushels, about the same as the last two marketing years.

FEED--Prices of feed grains rose during December and early January from the lows early in the marketing year. Average prices received by farmers were up 4 percent from November to December. For the first half of 1961, corn and sorghums should show further seasonal gains, probably rising near the 1960 support prices by summer; oats and barley are presently above 1960 supports and probably will stay above during the next few months.

Feed grain production reached a record of 168 million tons in 1960, 3 percent over 1959, and 23 percent over the 1954-58 average. Feeding per animal unit should continue heavy in 1960-61. However, the big feed grain crop will more than meet this year's feed requirements, and increase carryovers into 1961-62 by around 10 percent over the 75 million tons of 1960-61.

WHEAT--Cash prices for wheat continued to advance in winter wheat markets, and in early January were at or near the high for the season. As of the first of December, growers had placed 365 million bushels of 1960 crop wheat under price support, 27 percent of the total crop.

COTTON--Exports of cotton for the current season should be about 6.5 million bales compared with the 7.2 million bales of a year earlier. Domestic cotton consumption is also likely to be smaller than the 9 million bales of the 1959-60 season. However, total disappearance will still exceed production, and carryover next August probably will be smaller than the 7.6 million of August 1960.

FRUITS--Early January market prices for most fresh fruits were higher than a year ago, and are expected to remain above 1960 levels. Marketings of citrus have been lighter because of hurricane damage and dry weather in Florida, and a smaller navel orange crop in California.

Packers' stocks of frozen orange concentrate are well below a year ago owing to delayed movement of Florida oranges. With stocks down, processor demand for citrus is expected to continue strong; processor use of Florida citrus should be seasonally heavy this winter.

VEGETABLES--Supplies of vegetables for fresh market are likely to be a little smaller this winter than last. More frozen vegetables will be available in the next few months than a year earlier. Supplies of potatoes are up moderately from a year ago.

TOBACCO--Marketings of the 1960 burley crop have been virtually completed. Prices at auctions for the season through mid-January averaged 64.4 cents per pound, 4 cents higher than last season. Supplies of burley for the marketing year, at 1,687 million pounds, are a little lower than those of last season.



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